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Monday, December 20, 2004

USCG-2004-16877-952

Mr. Cy Oggins
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

**RE: State Clearinghouse Number 2004021107
Federal Docket Number USCG-2004-16877**

Dear Mr. Oggins:

Cal-Case is a coalition of business and consumer organizations that support clean energy resource development to promote a healthy California economy. Cal CASE believes that California should expand and diversify its current energy sources to meet the state's growing need demand. While we support conservation measures and the development of alternative energy sources, California still needs additional supplies of clean burning natural gas. We believe the cleanest, safest and most economical way to increase this supply is through the importation of natural gas. Today, more than 40 percent of our state's electricity generating capacity is fueled by natural gas, and nearly 70 percent of Californian's are dependent on natural gas for heating.

But California produces only 16% of the total amount of natural gas we consume. In addition, while domestic exploration continues to be robust, U.S. domestic production continues to decline. With our ever-increasing consumption and demand, we believe that California should increase its supply of natural gas by importing it directly in the form of liquefied natural gas (LNG). To accomplish this, the permitting and development of natural gas receiving facilities on the West Coast and California is critical.

Consider the following:

- Californians consume 6,584 million cubic feet of natural gas per day.
- 42% of California's electricity generation is fueled by natural gas. California power plants rely heavily on natural gas to generate the electricity that powers the state.
- By increasing the supply of natural gas in California through the importation of natural gas, natural gas prices could be reduced by 20-25% from current levels, which would significantly reduce Californian's monthly utility bills.
- Shipping and handling of liquefied natural gas in California would be regulated by very strict Federal safety standards based on more than 45 years of successful U.S. and worldwide experience.
- Increased natural gas supplies can help customers manage energy prices, thus making California a more attractive and competitive place for job-creating businesses.



We urge you to support the development of liquefied natural gas facilities on the West Coast and California to meet our energy needs and promote a healthy California economy. Our coalition supporters include:

*California Manufacturers & Technology Association
California Chamber of Commerce
California Business Roundtable
Western States Petroleum Association
California Small Business Association
California League of Food Processors
California Retailers Association
California League of Food Processors
Agricultural Council of California
California Grape and Tree Fruit League
Consumers First
The Seniors Coalition
California Municipal Utilities Association*

*California Cogeneration Council
Silicon Valley Manufacturing Group
American Electronics Association
Bay Area Council
California State Association of Counties
California Building Industry Association
California Restaurant Association
Chemical Industry Council of California
California Farm Bureau
Associated General Contractors of California
Ventura County Economic Development Corporation
California Alliance for Consumer Protection*

Sincerely,

Jack M. Stewart, President
California Manufacturers & Technology Association